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90 Years of Rural Development Programs

The Government has tried to ameliorate the "rural problem" for the past 100 years. The first efforts, improving the physical characteristics of rural areas—roads, electricity, and so forth—met with quick and quantifiable success. The success of more recent efforts has been moot, despite the money and labor spent by a variety of agencies, commissions, and administrations. The problems, though, may now be more intractable—unemployment, persistent poverty, inadequate housing.

In 1909, President Theodore Roosevelt wrote of the Report of the Country Life Commission, the first nationwide study of rural living: "The report shows the general condition of farming life in the open country, and points out its larger problems; it indicates ways in which the Government, National and State, may show the people how to solve some of these problems. . . ."

Three-quarters of a century later, in 1984, Willard Phillips, Jr., Director of the Office of Rural Development Policy, the coordinating agency for rural development within the Department of Agriculture, said in testimony before a committee of the House of Representatives, "The role of the Federal Government should be one of facilitating and enabling local development initiatives, not directing federally imposed development mandates. People at the community level, supported but not dominated by the Federal Government, can chart their own best path to progress. Rural areas are catching up to urban areas, but significant disparities still remain. . . . There remains a need for a specifically rural policy and a Federal office to act as advocates for rural concerns."

The physical transformation of the rural landscape can be easily documented. Paved roads and highways, electricity, telephones, water and sewer systems, and postal delivery all contributed mightily to improving the living conditions of farmers and others and were the

fruits of a number of Federal, State, and local initiatives.

Improvements in other areas, however, are more difficult to measure, notwithstanding the myriad agencies, commissions, committees, hours of work, and millions of dollars that went into the "rural problem." As Donald L. Nelson of the Extension Service wrote of the efforts during the 1970's, "Had Community and Rural Development failed or had it succeeded? Had its time now come, had it come and gone, had it never come, or would it come?"

In this article, I trace the Federal efforts in rural transformation. In doing so, I have tried to show some of the causes that would lead Nelson to ask such questions, as well as to give some perspective and background on responding to his questions. State, local, and private contributions are admittedly short-changed in the discussion—but from a lack of space, not a lack of material to draw on.

Early Efforts— A Physical Transformation

In 1908, when the Country Life Commission was appointed, over one-third of all Americans lived on farms. That is one reason the Commission made little distinction between farm life and rural life. Many of the Commission's recommendations related to both. Over a period of 10 years, recommendations enacted into law included: a parcel post system to give rural families better access to consumer goods; a postal saving system; the cooperative agricultural extension service (the Smith-Lever Act); and a land bank credit system (the Federal Farm Loan Act).

The Commission's report stimulated more action on rural or farm-to-market roads. The Department of Agriculture had organized an Office of Road Inquiry

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Only 50 years ago, few farms had electricity. For most, that meant no running water, no electric lights, hand-powered washing machines, hand milking of cows.

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in 1893 to carry on work of a demonstrational or educational nature. In 1905, the Office became the Office of Public Roads, which constructed object-lesson roads at local expense and tested various road-building materials. These actions were enthusiastically received in rural communities, where good roads associations were formed, many with the slogan "Get the farmer out of the mud!" Finally, in 1912, an appropriation was made for the construction of post roads under USDA supervision. This and subsequent programs were a major force in ending rural isolation.

Congress and USDA took the next major steps in rural development during the New Deal of the 1930's. The many legislative acts relating to agriculture passed from 1933-38 touched upon virtually every aspect of farm production, food consumption, and rural life. The best known of these, the Agricultural Adjustment Acts of 1933 and 1938, sought to restore farmers to pre-World War I economic conditions. However, the Resettlement Administration, succeeded by the Farm Security Administration and later by the Farmers Home Administration, sought to help the poorest and most disadvantaged farmers and rural residents. Its homestead program was closely related to recent concepts of rural development; a means of shifting poverty-stricken rural families from submarginal land to part-time farming communities where they could grow their own food and perhaps find jobs in new industries.

Rural electrification, one of the most widely accepted of the New Deal actions, transformed farm and rural life. It is difficult to realize that, only 50 years ago, 90 percent of American farms were without electricity: no electric lights; no running water; refrigeration limited to cool spring water or, in the north, to ice that could be packed in sawdust for summer use; wash boards and ineffective hand-powered washing machines; and hand milking of cows.

The Federal campaign to electrify farms and rural communities began because of the economic difficulties faced by private utilities in furnishing services to low-population areas. The Tennessee Valley Authority pointed the way to an effective government program when it

reached an agreement with a group of farmers and businesses to supply electricity to a local rural cooperative. Shortly thereafter, President Franklin Roosevelt created the Rural Electrification Administration. REA encouraged the organization of rural electric cooperatives, which would construct power lines and set up a system using loans from REA. In 1933, 10 percent of U.S. farms had electricity; in 1941, 35 percent; and in 1979, 99 percent. Rural communities received electric service at about the same rate.

Modern Efforts Aim At More Persistent Problems

The Country Life Commission and the New Deal were forerunners of today's rural development programs. These were started in 1954, because rural poverty persisted in the midst of agricultural abundance and national prosperity. Attention was focused at first on finding solutions to the problems of low-income farmers but a study requested by President Eisenhower, *Development of Agriculture's Human*

Resources, strongly implied that human and other resources should be moved out of agriculture. Recommended approaches were to increase productivity in agriculture, improve prospects in part-time farming and nonfarm jobs, increase opportunities for training, and encourage employment of underemployed rural residents in decentralized defense industries.

Within the USDA, rural development programs, administered by Under Secretary True D. Morse, were largely decentralized, with emphasis upon State and county action in 50 designated pilot counties and areas. The Cooperative Extension Service served as the major leader in program development, with the programs themselves carried out by a number of Federal and local agencies. Representatives of local agencies, USDA and other Federal agencies, and community leaders were organized into Rural Development Committees. By September 1960, under the leadership

Bringing electricity to the farm, 1935.



Historical photo by USDA's Rural Electrification Administration

of those committees, rural development work was planned or underway in 262 counties in 30 States and Puerto Rico. Emphasis was on improving health, and helping youngsters obtain training for farm and nonfarm jobs. A notable movement of people out of farming was well underway, although this may have been more closely related to changes in agricultural technology than to programs to train and place underemployed farm people in nonfarm jobs. Between 1950 and 1960, the farm population dropped from 25 million to 15.6 million.

In 1961, USDA Secretary Orville Freeman assigned the rural areas development program to a newly created Office of Rural Areas Development. The new program's primary purpose was to eliminate rural underemployment by establishing Rural Areas Development Committees under local leadership in rural communities. By early 1962, such committees were working in 43 States and 1,012 counties to direct Federal, State, and local rural development programs. USDA agencies particularly concerned with rural development continued to make substantial contributions. These included the Extension Service, Farmers Home Administration, Economic Research Service, Forest Service, Rural Electrification Administration, and Farmer Cooperative Service.

From 1961 on, much of the authority and funds for rural development were in agencies other than USDA. The Department of Commerce had authority, much of which it delegated to USDA, for rural industry. The Department of Health, Education, and Welfare had jobs training and the Job Corps. The Department of Labor also received funds and authority for manpower research and training.

Congress authorized a rural renewal program in 1962 under which USDA provided technical and financial assistance for locally initiated and sponsored programs aimed at eliminating chronic underemployment and fostering a sound rural economy. Loans were made to local groups to establish recreation areas, to build hospitals, to establish small manufacturing plants, and to carry out similar developmental activities. An unstated major goal behind this and

other legislation and programs was to stem the flow of rural poor to the cities. Thus the emphasis was upon providing jobs in local areas and in using existing public facilities and housing.

The rural renewal program began with multicounty pilot projects in Arkansas, West Virginia, North Carolina, Florida, and Iowa. The pilot project in Arkansas, which might be cited as an example, was organized as the Little River County Rural Development Authority. In 1964, it received loans totaling \$458,000 for the building of low-cost modern homes.

A loan of \$95,000 financed the purchase of 614 acres for a forestry and recreation area in the pilot county. Additional grants were made for administrative expenses, surveys of forestry and recreation areas, and the development of experimental vegetable plots, the produce of which went to a nearby processing plant. A hospital was constructed with the aid of Federal funds, and a pallet-manufacturing plant was established with a loan from the Small Business Administration. In 1966, the Economic Research Service, after an intensive study, found the county to be growing much faster economically and better maintaining its social institutions than similar nearby counties not participating in the renewal program.

Great Society Then Retrenchment

The Economic Opportunity Act of 1964 marked the beginning of the Government's ambitious war on poverty. It provided for a Job Corps of young men and women recruited from economically and educationally deprived groups. This Act also provided for community action programs in urban and rural communities, and for loans to low-income rural families when such loans had a reasonable prospect of increasing family incomes. The 1965 Housing and Urban Development Act authorized the Farmers Home Administration to make personal loans for the purchase of previously occupied dwellings and farms or for improvements in farm buildings.

Early in 1965, the Rural Community Development Service superseded the Office of Rural Areas Development. The new agency coordinated the Depart-

ment's rural activities and assisted local organizations and leaders with their programs. Under its leadership and with the assistance of other agencies, particularly Extension and Farmers Home, the rural community water and sewer facilities program was simplified; specialized educational programs, including remedial reading, vocational instruction, and adult education, were established; and small cooperatives were assisted in acquiring farm machinery.

In August 1965, the Secretary of Agriculture was named chairman of a Task Force on Agriculture and Rural Life to make recommendations for the 1967 legislative program. The task force was composed of representatives of the Department of Health, Education, and Welfare; the Department of Labor; the Office of Economic Opportunity; the Housing and Home Finance Agency; and the Bureau of the Budget.

The task force, in its report to President Johnson in October 1965, urged the government to expand food programs; to establish a rural senior citizen corps; to help landowners over 65 to maintain their farms; to ensure a minimum annual income for all persons; to provide literacy training; to extend medicare benefits to all age groups; and to set up "opportunity homesteads" with training programs for disadvantaged rural residents. However, the escalating costs of the Vietnam War forced the President to recommend sharp reductions in the proposals as part of his drive to cut Federal expenditures. Subsequently, the Congress appropriated increases for food programs but did not act on the other recommendations.

In 1966, President Johnson established a National Advisory Commission on Rural Poverty to develop recommendations for a major program attacking rural poverty. In September 1967, the Commission released a far-reaching report, *The People Left Behind*.

The Commission took aim at wiping out rural poverty. Among its recommendations for America's rural poor: give rural residents equal opportunity with all other citizens, provide employment opportunities for those willing and able to work, insure enough income to provide

a decent living, begin an educational extension service, expand rural health services, develop family planning programs, and expand housing programs in rural areas. The Commission strongly recommended the creation of multi-county development districts.

The proposals and programs of both the Commission and USDA's Rural Community Development Service ran into major funding difficulties beginning in the mid-1960's. When it became evident that neither the White House nor Congress would give strong support to rural development at this time, the Secretary of Agriculture cut back on some programs and reassigned responsibilities.

Meanwhile, the Extension Service became active in community rural development. A 1968 Extension study, *A People and a Spirit*, recommended a major expansion in program resources for community rural development, a recommendation supported by State Extension Directors even if funding were not increased. This study urged Extension workers to reassert leadership in rural development and move ahead with programs even as the Rural Community Development Service and the Farmers Home Administration were being cut back.

Rural Renaissance

The Nixon administration reviewed the rural programs and made a number of changes. President Nixon set up a Task Force on Rural Development to recommend programs for the private and public sectors and established a cabinet-level Council for Rural Affairs to assist him in developing national policies that would strengthen rural America's economic base and encourage some Americans to stay in rural areas or move there from metropolitan regions. In March 1971, the President proposed a program of Rural Community Development through revenue sharing.

Congress, too, demonstrated a new interest in rural development. The Agriculture Act of 1970 included a specific section on rural development. In August 1972, the Rural Development Act, which has been the charter for such work ever since, was signed by the President. As further indication of Congressional interest, several members of Con-



Historical photo by USDA's Rural Electrification Administration

gress organized a bipartisan Congressional Rural Caucus, which continues into the 1980's.

Meanwhile, organizational changes were being made in USDA's rural development programs. The Rural Community Development Service was abolished in 1970, and its functions transferred to the Federal Extension Service, Soil Conservation Service, Rural Electrification Administration, Farmer Cooperative Service, and Forest Service. Overall coordination and planning was assigned to the Office of the Assistant Secretary for Rural Development and Conservation. A new Departmental Rural Development Committee was established, with the Assistant Secretary as chairperson and the administrator and deputies of the five agencies as members. A USDA Committee for Rural Development was to be set up in each State, with the same five agencies represented at the State level.

Many rural development problems, being regional in nature, cut across State lines. Early in 1970, the North Central Regional Extension Community and Rural Development Committee was formed. Shortly afterwards, similar committees were formed in the other three Extension regions. The committees were sponsored by the Farm Foundation at the request of the regional Extension Directors' associations.

In 1971, the first Regional Rural Development Center was established at Iowa State University for the North Central region. Subsequently, centers were established for the Northeast region at

Cornell University, for the Western region at Oregon State University, and for the Southern region at Mississippi State University. These were established by the directors of the State Extension Services and Experiment Stations in each region and were funded by State and Federal funds.

Early in 1971, Deputy Under Secretary for Rural Development Henry Ahlgren said that rural development "has essentially failed to this point. There have been isolated, sporadic instances of success, it's true. But the great goals... have not been achieved." He stated that the time for rural development had not come earlier, but that its time had now arrived.

In September 1971, Secretary of Agriculture Clifford Hardin established the Rural Development Service. Its major responsibility was to handle the proposed rural community development revenue-sharing program that Congress was considering.

In 1972, Assistant Secretary for Rural Development and Conservation Thomas Cowden said: "Almost all USDA programs contribute to the economic and social development of rural areas." From 1961-72, appropriations for such programs had risen from \$575 million to \$2.9 billion. Rural housing loans and grants represented the bulk of the increase, moving from \$71 million to \$1.7 billion. Community loans and grants for sewer and water and other projects had increased from \$6 million to \$385 million.

90 Years of Federal Programs for Rural Development

<i>Year, presidential administration</i>	<i>Significant rural characteristics</i>	<i>Major legislation, agencies, committees, panels, etc.</i>	<i>Goals</i>
Grover Cleveland 1893	<ul style="list-style-type: none"> ● 42% of population live on farms 	<ul style="list-style-type: none"> ● Office of Road Inquiry (USDA) organized 	<ul style="list-style-type: none"> ● Work of a demonstration/educational nature
Theodore Roosevelt 1905		<ul style="list-style-type: none"> ● Office of Public Roads (USDA) organized; replaces Office of Road Inquiry (1893) 	<ul style="list-style-type: none"> ● Construct object lesson roads; test road-building materials
1908	<ul style="list-style-type: none"> ● 33% of population live on farms; 54% of population live in rural areas 	<ul style="list-style-type: none"> ● Country Life Commission appointed 	<ul style="list-style-type: none"> ● Major report on needs of rural population
Howard Taft 1912		<ul style="list-style-type: none"> ● Office of Public Roads (USDA) receives appropriations to supervise building of rural post roads 	
Woodrow Wilson 1920	<ul style="list-style-type: none"> ● Farm population—32 million, 30% of U.S. total 		
Warren Harding 1921	<ul style="list-style-type: none"> ● 3.2 million miles of rural roads 		
Calvin Coolidge			
Herbert Hoover			
Franklin Roosevelt 1933	<ul style="list-style-type: none"> ● 10% of farms electrified 	<ul style="list-style-type: none"> ● Tennessee Valley Authority established 	
1935	<ul style="list-style-type: none"> ● 26% of population live on farms ● 35% of farms electrified 	<ul style="list-style-type: none"> ● Rural Electrification Administration (USDA) organized ● Resettlement Administration organized 	<ul style="list-style-type: none"> ● Bring electricity to farms ● Resettle farm laborers and disadvantaged rural residents in part-time farming communities
1940	<ul style="list-style-type: none"> ● Farm population—30.5 million, 23% of U.S. total ● 43% of population live in rural areas 		
Harry Truman 1949 1950	<ul style="list-style-type: none"> ● Farm population—25 million, 12% of U.S. total 	<ul style="list-style-type: none"> ● Rural Telephone Loan program begun 	
Dwight Eisenhower 1953		<ul style="list-style-type: none"> ● Interstate Highway System receives first appropriations 	
1954		<ul style="list-style-type: none"> ● USDA committee asked to report on agricultural development 	<ul style="list-style-type: none"> ● Call attention to rural development problems
1955		<ul style="list-style-type: none"> ● Rural Development Committees organized 	<ul style="list-style-type: none"> ● Aid local communities in establishing new training programs and other activities
1959		<ul style="list-style-type: none"> ● President established interdepartmental Committee on Rural Development 	<ul style="list-style-type: none"> ● Coordinate all Federal efforts in rural development
1960	<ul style="list-style-type: none"> ● Farm population—15.6 million, 8% of U.S. total ● 10,000 miles of Interstate Highway System completed; ● 3.1 million miles of rural roads 		

<i>Year, presidential administration</i>	<i>Significant rural characteristics</i>	<i>Major legislation, agencies, committees, panels, etc.</i>	<i>Goals</i>
John Kennedy 1961		<ul style="list-style-type: none"> • Office of Rural Areas Development (USDA) established; Rural Development Committees replaced by Rural Area Development Committees 	<ul style="list-style-type: none"> • Eliminate rural underemployment
1962		<ul style="list-style-type: none"> • Rural renewal program authorized by Congress 	
Lyndon Johnson 1964		<ul style="list-style-type: none"> • Economic Opportunity Act (war on poverty) enacted 	<ul style="list-style-type: none"> • End rural poverty
1965		<ul style="list-style-type: none"> • Job Corps organized • Housing and Urban Development Act passed • Rural Community Development Service (USDA) replaces Office of Rural Areas Development 	<ul style="list-style-type: none"> • Provide opportunities for disadvantaged youth • Improve rural and urban housing • Coordinate USDA's rural activities
1966		<ul style="list-style-type: none"> • Interagency Task Force on Agricultural and Rural Life established 	<ul style="list-style-type: none"> • Recommend legislation to improve rural life
1967		<ul style="list-style-type: none"> • National Advisory Commission on Rural Poverty • <i>The People Left Behind</i> published by National Advisory Commission on Rural Poverty 	<ul style="list-style-type: none"> • Develop major program for attacking rural poverty • Call Nation's attention to problem of rural poverty
Richard Nixon 1969		<ul style="list-style-type: none"> • Presidential Task Force on Rural Development 	<ul style="list-style-type: none"> • Recommend programs for public and private sector • Coordinate USDA rural development programs
1970	<ul style="list-style-type: none"> • 3.7 million miles of rural roads • 26% of population live in rural areas 	<ul style="list-style-type: none"> • Rural Community Development Service abolished; functions transferred to USDA Departmental Rural Development Committee • USDA Committee for Rural Development set up in each State 	<ul style="list-style-type: none"> • Coordinate USDA programs for rural development within States
1971		<ul style="list-style-type: none"> • Rural Development Service (USDA) organized • Rural Telephone Bank organized • First Regional Rural Development Center established 	<ul style="list-style-type: none"> • Direct USDA rural development programs • Finance rural telephone cooperatives • Carry out regional extension and research for rural development
1972	<ul style="list-style-type: none"> • 5% of population live on farms 	<ul style="list-style-type: none"> • Rural Development Act signed into law 	<ul style="list-style-type: none"> • Broad authority for rural development programs
1973		<ul style="list-style-type: none"> • Congressional Rural Caucus organized 	<ul style="list-style-type: none"> • Emphasize needs of rural areas
Gerald Ford			
Jimmy Carter 1978		<ul style="list-style-type: none"> • White House Rural Development Initiatives on health, water, sewers, communications, energy, transportation • USDA's Rural Development Service merged into FmHA 	<ul style="list-style-type: none"> • Secure cooperation in solving these problems • Emphasize rural housing problems
1979	<ul style="list-style-type: none"> • 99% of farms electrified 	<ul style="list-style-type: none"> • Rural Development Policy Act passed by Congress 	<ul style="list-style-type: none"> • Extend authorizations for appropriations
1980	<ul style="list-style-type: none"> • 41,000 miles of Interstate Highway System completed 	<ul style="list-style-type: none"> • USDA establishes National Advisory Council on Small Community and Rural Development 	<ul style="list-style-type: none"> • Give varied groups opportunity to participate in policy and program planning
Ronald Reagan 1981		<ul style="list-style-type: none"> • USDA establishes Office of Rural Developmental Policy 	<ul style="list-style-type: none"> • Formulate policy and coordinate rural development efforts
1982	<ul style="list-style-type: none"> • 3% of population live on farms • 97% of farms have telephone service 	<ul style="list-style-type: none"> • National Advisory Council on Rural Development established 	<ul style="list-style-type: none"> • Identify rural problems and support rural development policies

The White House undertook "Rural Development Initiatives" on health, water and sewers, communications, energy, and transportation in 1978 and 1979. The goal was to highlight these problems and to secure cooperation in solving them.

USDA continued to emphasize rural housing and related programs. In 1978, the Rural Development Service was merged into the Farmers Home Administration (FmHA), a further indication of where program emphasis was to be.

The Department's objectives were spelled out once again by Secretary Bergland in March 1979. He emphasized his responsibility to provide leadership for national rural development efforts in accordance with the Rural Development Act of 1972. The national rural development goals were to: (1) improve rural income levels and increase rural employment opportunities; (2) improve access of rural residents to adequate housing and essential community facilities and services; (3) provide a more equitable distribution of opportunities by targeting efforts to where need was greatest; (4) involve the private sector and local, State, and Federal agencies in establishing policies and programs that affect rural areas; and (5) strengthen the public and private institutions concerned with economic opportunity and quality of life in rural America.

Between 1949, when its rural development program was authorized, and 1978, the Administration made or guaranteed over 1.3 million rural housing loans, the Farmers Home Administration reported in 1979. Some 15,000 rural localities and farmland sections had solved their water and sanitation problems through modernized central water and sewer systems, built with loans or loan guarantees from FmHA. Over 3,000 rural communities had received loans for community facilities. Under authority of the Rural Development Act of 1972, 1,213 private business and industrial loans made in rural areas had been guaranteed by FmHA.

An interdepartmental Assistant Secretaries Working Group for Rural Development was the primary vehicle for coordinating national rural develop-



Historical photo by USDA's Rural Electrification Administration

ment policy among departments. A USDA Rural Development Coordinating Committee was to coordinate rural development policy and activities within USDA and assist State committees with their rural development responsibilities. The committee chairperson was the Assistant Secretary for Rural Development and the vice-chairperson was the Assistant Secretary for Conservation, Research, and Education. The members were the heads of other USDA agencies.

The committee was to work with the agencies on achieving national rural development goals. It was also to assist State committees with their rural development responsibilities. The State Rural Development Coordinating Committees, established by the national committee, were to encourage and assist rural development programs in the States.

In December 1979, President Carter issued a Small Community and Rural Development Policy, setting forth national goals for rural development similar to those of the Department. These policies were strengthened by Congressional passage of the Rural Development Policy Act of 1980. The new act authorized the establishment and coordination of rural development policy and extended authorizations for

certain appropriations. These authorizations were extended again by the Agriculture and Food Act of 1981.

In October 1980, the Secretary of Agriculture established the National Advisory Council on Small Community and Rural Development. The Council was to identify and recommend solutions to rural problems in the fields of housing, health, water and sewer, education, human services, job creation, economic development, energy, transportation and communications, capacity building, natural resources, and recreation and cultural resources. With the change in administration, however, the Council accomplished comparatively little.

An Office of Rural Development Policy was established in October 1981 by Secretary John Block. Its functions were to formulate rural development strategy, coordinate rural development efforts within the Department and with other Federal and private agencies, encourage and conduct policy research on rural issues, serve as the Executive Secretariat for the National Advisory Council on Rural Development and for a range of interagency coordination structures, and maintain and monitor the Area Development Assistance Planning grant program.

The National Advisory Council on Rural Development was established in February 1982 to assist "in identifying rural problems and in supporting administration efforts in rural development." The members were a diverse group representing farmers, agribusiness, educators, and others from all parts of the United States. The Council was renewed by the Secretary late in 1984.

In its 1984 report, *Rural Communities and the American Farm* (still available, see box), the Office of Rural Development Policy emphasized that more than a million American farm families depend on off-farm sources for a large portion of their annual income. Most of that off-farm income is derived from other rural enterprises. Thus, the economic survival of these American farm families depends heavily on the vitality of the nonfarm rural economy. The Department began new information and management training programs to help rural communities learn about available programs.

Basing its analysis upon a study of selected programs by the Economic Development Division of the Economic Research Service, the Office reported that nonmetro areas would receive \$7.3 billion in budget authority for spending and \$1.9 billion for credit programs in the proposed 1985 budget for community and infrastructure development programs for: transportation; water, sewer, and wastewater treatment; electrical power; communications; and other community facilities. In addition, spending programs for business and government economic assistance were budgeted at \$1.2 billion for nonmetro areas, with another \$1.1 billion in credit. Direct housing assistance for rural areas, including grants for low-income housing, rent supplements, homeownership and rental housing, and rural rental assistance, was budgeted at \$1.5 billion. Housing credit programs, including Federal Housing Administration mortgage insurance, Veterans' Administration loan guarantees, and Farmers Home Administration housing loans, amounted to \$7.3 billion for nonmetropolitan areas. There were also other proposed expenditures that were directed more specifically to such farm-oriented programs as price supports and

commodity loans that, by making farmers better off financially, helped improve the economies of rural areas in general.

Summing Up

What has been the effect of 90 years of rural development? Many hours of work and many millions of dollars have gone into the effort. Has it been worth it?

Rural life has been transformed since World War II. The most notable change has been the drop in farm population, from 24.3 million people or 17 percent of the total in 1945 to 5.8 million or 3 percent of the total in 1984. Growth in the rural nonfarm population was offset by the loss of farm people. That changed in the 1970's. Metropolitan areas grew in population at a rate of 6.1 percent during 1970-78, while non-metropolitan areas grew by 10.5 percent. The rate of increase in jobs was also greater in nonmetro than in metro areas for the same period.

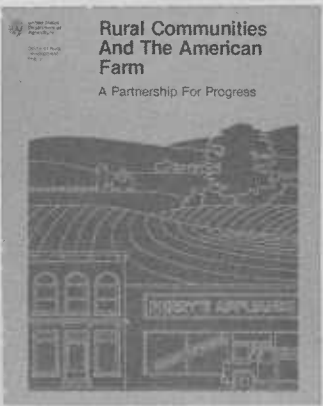
For many years, surveys have shown that a majority of Americans believe that the overall quality of life in rural

communities and on farms is superior to that in cities. This feeling has grown as some of the drawbacks to rural life have ended. Isolation, once the fear of the frontier, has been diminished by surfaced roads, automobiles, telephones, radios, and television. Cultural deprivation has been solved by the same forces that ended isolation and the greater availability of cultural facilities. Most farm families in Iowa, for example, are no more than a 5-hour drive away from the Iowa Cultural Center in Ames.

Surfaced roads, a postal system, electricity, telephones, water and sewer systems, low-cost credit, improved housing, recreational resources, and many other facilities that enhance the quality of rural life resulted from rural development programs. Other forces making for a better rural life originated in the private sector.

One result of Federal, State, private, and individual initiatives, not just in rural development but in all of agriculture and rural life particularly since World War II, was aptly summarized by one of the Nation's best known agricultural economists, Don Paarlberg. He wrote in 1980: "agriculture is in the process of losing its uniqueness. . . . Farm people have entered the mainstream of American economic, social, and political life. . . . The institutions set up to serve a unique vocation have had the unforeseen consequence of helping to reduce—indeed, almost to destroy—that uniqueness." Paarlberg was writing about agriculture but his general thesis would apply to rural people as well. They are no longer readily distinguishable from nonrural people in speech, dress, or manner, and they enjoy many of the amenities of the urban dweller.

In this article, I touched on some of the achievements and accomplishments of Federal rural programs. Despite those, overall economic opportunities in rural areas, as measured by comparative income, still lag behind those of urbanites. We have to conclude, therefore, that rural development programs so far have left their goals unmet. That being the case, a full-scale rural development program is still needed. The Nation cannot afford the results of less. **ROP**



**Rural Communities
And The American
Farm**
A Partnership For Progress

Also of Interest

The 1984 report by USDA's Office of Rural Development Policy is still available—and it's free. Ask for *Rural Communities and the American Farm: A Partnership for Progress*. Write to Office of Rural Development Policy, Room 5048-S, U.S. Dept. of Agriculture, Washington, DC 20250. Telephone (202) 382-0044.